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October 19, 2023

VIA ECF

Honorable P. Kevin Castel
United States District Judge
Daniel Patrick Moynihan United States Courthouse
500 Pearl Street, Courtroom 11D
New York, NY 10007-1312

RE: **FCS Advisors, LLC v. Theia Group, Inc., et al.: Case No. 21-cv-6995 (PKC)**

Dear Judge Castel:

We write on behalf of PJT Partners LP (“PJT”) in the light of Your Honor’s direction at the end of the continued hearing in the above proceeding on October 18, 2023 to provide the Court with proposed language pertaining to the settlement of PJT’s limited objection to the Receiver’s motion for approval of the sale to LTS Systems, LLC (the “Buyer”) of the Receivership Entities’ assets and PJT’s alternative request to surcharge the collateral of FCS Advisors, LLC (“FCS”). Of course, the language proposed below, which we have agreed with counsel for the Buyer and FCS and counsel to the Receiver, would be inserted in the order approving the proposed sale only if the Court, after taking the matter under advisement determined based on the record,¹ including PJT’s prior submissions in support of its work during the sale process, determines to approve the sale.

The proposed language below would be inserted where indicated in the revised proposed order attached as an exhibit to the *Letter to the Court, dated October 18, 2023 from Charles Michael re: Revised Proposed Order* [Docket No. 406]:

¹ At the October 18, 2023 hearing, Mr. Robert Leeds represented to the Court that he has no business connection to PJT. We have learned that he is related however, through a cousin, by marriage to a partner in PJT. We confirm that that individual has had no role in PJT’s representation of the Receiver.

Honorable P. Kevin Castel
October 19, 2023
Page 2

Proposed insertion before the final period in ¶ L:

“and the satisfaction of the conditions to the effectiveness of this Approval Order stated in ¶ 25 hereof.”

Proposed insertion after ¶ 23:

Settlement of PJT Response and Motion

“24. As set forth on the record of the Sale Hearing, PJT Partners LP (“PJT”) has agreed to withdraw its limited objection to the Sale Transaction and alternative request to surcharge the collateral of FCS, in each case based on the nonpayment of PJT’s Minimum Transaction Fee of \$1,500,000 as set forth in the (A) *Response of PJT Partners to Receiver’s Sale Motion and Request for Related Relief* and (B) *Motion to Surcharge Collateral* [Docket No. 378] (the “Response and Motion”) in exchange for payment to PJT of \$1,250,000 in cash within 48 hours of the entry of an order approving the Sale (the “PJT Settlement”). As set forth on the record of the Sale Hearing, such payment shall be made by Robert Leeds (“Payor”), and the PJT Settlement is agreed by FCS and the Buyer and not opposed by the Receiver.”

“25. The approval of the Sale Transaction as set forth in this Approval Order is conditioned upon the Payor, within 48 hours after the entry of this Approval Order, making payment in cash to PJT of \$1,250,000 pursuant to the wire instructions set forth in PJT’s Engagement Letter [Docket No. 152-2]. Counsel for FCS shall promptly provide Payor with such wire instructions if not previously provided by such counsel to him. Upon the Payor timely making the foregoing payment to PJT, counsel for PJT shall promptly notify this Court by letter filed on the docket herein, with a copy to Chambers, certifying that such payment was made and formally withdrawing the Response and Motion, at which time this Approval Order’s approval of the Sale Transaction shall become effective.”

Honorable P. Kevin Castel
October 19, 2023
Page 3

We are available at the Court's convenience should Your Honor wish to discuss this matter further.

Respectfully submitted,

/s/ Robert Drain

cc: Counsel of Record (via ECF)
Jacqueline M. Dakin